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COMMERCIAL FISHERIES OUTLOOK

April-June 1964

U. S. DEPARTMENT OF THE INTERIOR
Fish and Wildlife Service - Bureau of Commercial Fisheries

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GENERAL FISHERY SITUATION

The 1963 pack of canned fishery products in the U.S., American Samoa, and Puerto Rico amounted to 34.5 mil. std. cases, valued at $420.8 million to the packers. This was 2.4 million cases and $36.0 million lower than the year earlier. The decreases resulted from a sharp decline in the canning of fish for animal food, and smaller packs of Alaska salmon, California tuna, and Maine and Pacific sardines.

Imports during the first two months '64 were generally higher for most species compared with same period '63. However, receipts were lower for haddock fillets, halibut, canned crab meat, canned and frozen salmon, sardines canned not-in-oil, shrimp, and canned bonito and yellowtail, in oil and in brine.

Exports during first two months of '64 were higher than in comparable period last year for most species except canned sardines (not-in-oil), and canned squid.

Cold-storage holdings of edible fishery products March 1, '64 = 171.6 mil. lbs.; March 1, '63 = 164.3 mil. lbs., and March 1, '62 = 144.7 mil. lbs. The important species in lower supply on March 1, '64 than last year included fish sticks and portions, haddock fillets, sablefish, salmon, scallops, smelt, spiny lobsters, and whiting.

Wholesale price index for edible fish and shellfish in Feb. '64 dropped 0.7% from the previous month, and at 109% of the 1957-59 average, the index was 7.9% lower than Feb. '63. Wholesale prices for canned pink salmon were reduced in Feb. '64 resulting in a 2.6% decline from Jan. '64 in the index for canned fishery products. Canned salmon prices in Feb. '64 were down 7.4% from a month earlier, and were lower than Feb. '63 by 12.1%.

A record 10.5 billion lbs. of fishery products were used or consumed in the U.S. in '63 compared with 9.9 billion lbs. in '62. About 6 billion lbs. of fish were converted into industrial products, while the remainder was used for human consumption.

In '63, for the first time, more than half (56%) of the U.S. supply of fishery products was derived from imports. In 1950, only 25% of the supply was imported; however, the proportion has increased steadily since that time.

Salt-water Fish

FISH STICKS & PORTIONS --------

Market - Steady
Supplies - Moderate
Demand - Good

Fish stick prod. during '63 = 78.8 mil. lbs., up 6.6 mil. lbs. about 9% greater than '62. Fish portion prod. set new record; 94.2 mil. lbs. compared with 78.6 mil. lbs. year earlier. Haddock block supply still limited. Price to remain steady this quarter.

FLOUNDER & SOLE FILLETS-----

Market - Steady
Supplies - Liberal
Demand - Good

Flounder landings in Mass. set new record in '63. Holdings March 1, '64 = 5.4 mil. lbs., about 2.0 mil. lbs. higher than March 1, '63. Imports Jan.-Feb. '64 higher than first 2 mos. '63. Movement good. Price expected to remain steady.

COD FILLETS----------

Market - Steady
Supplies - Moderate
Demand - Good

Cod landings will increase during next 3 months. Inventories should start to build up. Imports up 1.2 mil. lbs., first 2 mos. '64 compared with same period '63. Price expected to remain steady this quarter.

HADDOCK FILLETS----------

Market - Steady
Supplies - Moderate
Demand - Good

Substantial haddock landings expected most of this quarter. Fillet holdings March 1, '64 = 3.3 mil. lbs., down .6 mil. lbs. from March 1, '63. Both extremely low for this date. Inventories will build-up this quarter probably resulting in slightly lower prices.

OCEAN PERCH FILLETS ---------

Market - Steady
Supplies - Moderate-to-Liberal
Demand - Light

Landings of ocean perch expected to be seasonally high during the second quarter. Holdings March 1, '64 = 9.6 mil. lbs., up 2.1 mil. lbs. from corresponding date last year. Normal pattern of increase in inventories expected during this period, with slight weakening in prices.

HALIBUT ----------

Market - Steady
Supplies - Moderate-to-Liberal
Demand - Good

Halibut season will be getting underway in all areas during this quarter. There will be some carryover from last year. Holdings on March 1, '64 = 9.6 mil. lbs., up approximately 2.1 mil. lbs. from year earlier. Prices expected to be lower than last year.

MACKEREL, CANNED ----------

Market - Steady
Supplies - Moderate
Demand - Moderate

Mackerel landings Jan.-March '64 = 3,236 tons, down approximately 75% from the same period '63, caused by mackerel fleet tie-up in price dispute. This problem now resolved, expect normal production to resume this quarter. Pack of Pacific and Jack mackerel thru March '64 = 60,000 std. cases compared with 225,000 std. cases same period '63.

SALMON, CANNED ----------

Market - Steady
Supplies - Moderate
Demand - Good

Alaska pack in '63 nearly 800,000 cases below 3.4 mil. std. cases in '62. Sharply reduced runs of reds in Western and Central Alaska, pinks in Central Alaska, and chums in all districts. The Washington-Oregon pack '63 = 616,000 std. cases, about 90% greater than '62. Excellent run of pink salmon in Puget Sound. Price should remain steady.

SARDINES, MAINE ----------

Market - Steady
Supplies - Moderate
Demand - Good

Maine sardine season opened on April 15th, but little production expected until late in quarter. Inventory reported March 1, '64 = 770,000 cases, down 70,000 cases from March 1, '63. Prices expected to remain steady throughout period.

TUNA, CANNED ----------

Market - Steady
Supplies - Moderate
Demand - Good

Preliminary figures California pack first quarter '64 = 2.1 mil. std. cases about 9% less than same period '63. Frozen tuna imports were at a near record low during Jan.-Feb. '64. Yellowfin (light meat) receipts down 38%. Prices firm to possibly higher this quarter.

Shellfish

CRAB MEAT ----------

Market - Unsettled
Supplies - Moderate
Demand - Good

Production along Atlantic and Gulf Coast should be good this quarter. Dungeness crab production West Coast poor for 3d consecutive year. Some damage by earthquake to King crab canneries in Alaska. Too early to assess total effect on this year's pack. Prices firm to higher. Holdings March 1, '64 = 5.0 mil. lbs.; March 1, '63 = 2.0 mil. lbs.

SCALLOPS, SEA ----------

Market - Moderate
Supplies - Good
Demand - Good

Production will increase this quarter after lower winter receipts. Holdings March 1, '64 = 1.8 mil. lbs. compared with almost 2 mil. lbs. on March 1, '63. Imports first two months '64 = 2.0 mil. lbs., about 54% higher than same period '63. Prices expected to hold near present level. Good movement expected through normal distribution channels.

SHRIMP ----------

Market - Good
Supplies - Moderate
Demand - Good

Seasonally, landings will be generally lighter during this quarter. Holdings March 1, '64 frozen including breaded = 35.7 mil. lbs., about 8.4 mil. lbs. higher than March 1, '63. Imports first two months '64 = 25 mil. lbs., about 1% below same period '63. Canned inventories high. Little change in price expected during this period.

Industrial Products

FISH MEAL ----------

Market - Firm
Supplies - Moderate
Demand - Good

Production thru Feb. '64 = 3,944 tons compared with 5,132 tons same period '63. Imports Jan.-Feb. '64 = 66,284 tons; Jan.-Feb. '63 = 58,581 tons. Price level firm this quarter.

FISH OIL ----------

Market - Unsettled
Supplies - Light
Demand - Good

Stocks very limited with good demand from Europe. Exports Jan.-Feb. '64 = 23.5 mil. lbs. compared with 2.5 mil. lbs. in same period '63. Price expected to remain firm during this quarter.

GENERAL BUSINESS CONDITIONS

Industrial production and retail sales increased in February while construction activity continued to change little. The rate of unemployment declined slightly to 5.4%.

Industrial Production in Feb. '64 rose to 127.6% of the '57-'59 average, from 127.2 in January, and was 6% above a year earlier. Auto assemblies rose 3% in Feb. and were 12% above Feb. '63. Output of foods, beverages, and some other consumer staples increased, while production of television sets and other home goods changed little.

Retail Sales rose 1% in Feb. and were 4% above Feb. '63. The increase was attributable mainly to the automotive, lumber, and general merchandise groups. Sales of both new and used cars were 8% above a year earlier.

Construction activity in Feb. '64 remained at the level of the preceding four months. Both private and public construction have shown relatively little change in recent months.

THE FOOD SITUATION

A generally strong economy continues to support the increased demand for food. During 1963, there was a population increase of approximately 1.5% coupled with an increase of 3% in per capita income, which provided the impetus for an increase in food store sales and consumption of food. A continuing trend in this direction is expected during '64.

Meat - Total red meat consumption per person during the first half of '64 will average about 83 1/2 lbs., the same as during the comparable period '63. An increase in beef consumption will be offset by a decrease in pork and lamb. Retail meat prices during first half '64 will probably average about same as year earlier.

Poultry and Eggs - Some expansion in chicken and turkey production and consumption is likely in '64. Per capita consumption of chicken will be up about 3/4 lb. from '63, and turkey use will probably increase 1/2 lb. Retail prices for poultry in '64 are not likely to move far from the '63 level. Egg consumption during '64 will probably change little from '63, but because of population increase, the per capita rate will most likely be down resulting in 311 eggs per capita in '64 compared with 316 in '63.

Dairy Products - Total civilian consumption of all dairy products (milk equivalent) in '64 is expected to be 1% above '63. However, per capita consumption might decline slightly. Retail prices during the remainder of '64 are expected to be somewhat higher than last year.

Fats and Oils - Total U.S. supplies of edible fats, oils, and oilseeds during the '63 - '64 marketing year, which began October '63 are placed at 16.9 billion lbs. (in terms of oil), 3% above last year and an alltime high. Total disappearance also is expected to reach new heights, surpassing '62-'63 marketing year by as much as 5%. A rise in exports over last season will account for most of the increased use in '64. Retail prices of food fat products are expected to decline slightly from the level of last year, reflecting lower prices for the primary fats and oils.

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